

Ultrapar Participações S.A.

Earnings conference call

Comments on the company's 3Q12/9M12 performance and outlook

11.09.12

Considerations on the information provided

Forward-looking statements

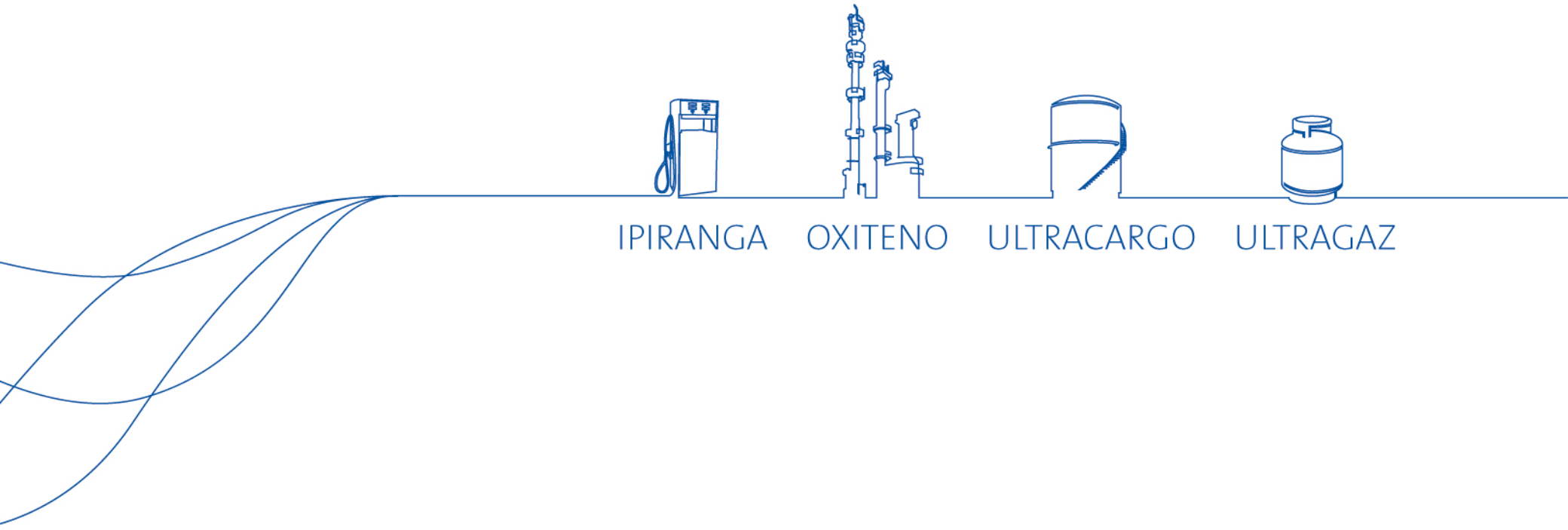
- ✓ This document may include “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate,” “believe,” “expect,” “estimate,” “plan,” “outlook,” “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Investors are cautioned that such forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the business of Ultrapar Participações S.A. (“Ultrapar”) are based on current expectations that are subject to risks and uncertainties that could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. Ultrapar is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise. For this reason, readers should not place undue emphasis on these forward-looking statements.

Considerations on the financial and operational information

- ✓ The financial information presented in this document was prepared according to International Financial Reporting Standards (IFRS). The financial information of Ultragaz, Ipiranga, Oxiteno and Ultracargo is reported without elimination of intercompany transactions. Therefore, the sum of such information may not correspond to the consolidated financial information of Ultrapar. In addition, except when otherwise indicated, the amounts presented in this document are expressed in millions of Reais and, therefore, are subject to rounding off. Consequently, the total amounts presented in the tables may differ from the direct sum of the amounts that precede them.

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Ultrapar

Strategy, corporate governance and growth

Ultrapar – 75 years of success

1937 | 1980

- Foundation of Ultragaz – beginning of a history marked by innovation
- Pioneering and expansion to several businesses
  - ✓ Logistics and storage for liquids
  - ✓ Chemicals
- Beginning of professional management

1981 | 1999

- Deepen corporate governance and professional management
- Alignment of interests between management and shareholders
- Focus on 3 businesses with competitive advantages
  - ✓ Ultragaz
  - ✓ Oxiteno
  - ✓ Ultracargo
- IPO in BM&FBOVESPA and NYSE

2000 | 2012

- Deepen aligment of interests and corporate governance
- Migration to Novo Mercado
- Strong growth and internationalization
  - ✓ Ipiranga
  - ✓ Capacity expansions
  - ✓ Acquisitions

ULTRAGAZ especialista no que faz

OXITENO

COMPANHIA BOVESPA LISTADA

UGP LISTED NYSE

UGPA3 NOVO MERCADO BM&FBOVESPA

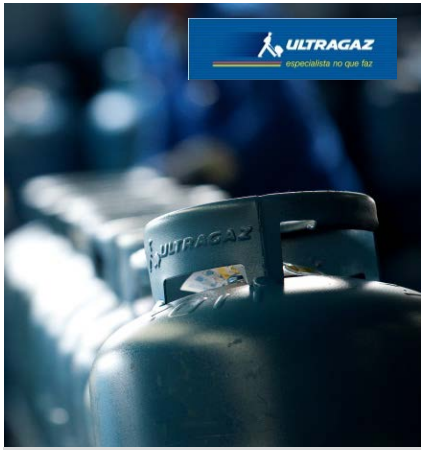
ULTRACARGO

Ipiranga

Ultrapar today



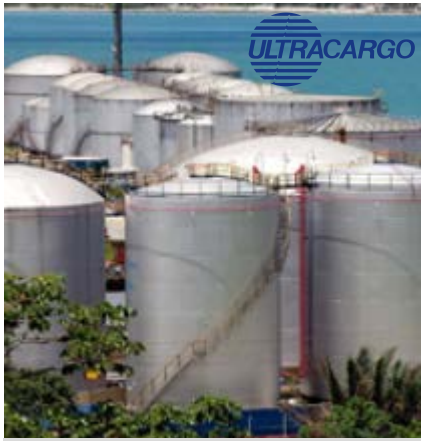
2nd largest fuel distributor in Brazil



Largest LPG distributor in Brazil



Largest producer of ethylene oxide derivatives in Latin America



Largest provider of storage for liquid bulk in Brazil

Ultrapar figures

- Market capitalization: **R$ 23 billion** (US$ 11 billion)
- **4th largest group in** Brazil in revenues[1]
- **9 thousand direct employees** and approximately 80 thousand indirect employees

Strategy

- **Leadership position** in its markets
- Strong **brands**
- **Robust operational scale**, through investments and acquisitions
- **Resilient** businesses, **leveraged on the Brazilian economic growth**
- New corporate governance structure designed for **value creation**
- Sound **financial position**

[1] Source: Valor 1000 Yearbook (2011)

Ultrapar – Corporate governance as a key element in value creation

- Alignment of interests between management and shareholders
- High standards of controls and transparency
- Simplicity in management structures
- Delegation and accountability

→

- Increased investment capacity
- Enduring company's growth
- Corporate governance standards exceed the requirements of Novo Mercado

Ultrapar – R$ 12 billion invested since the IPO, with strong returns

	Organic investments (R$ 7 billion)	Acquisitions (R$ 5 billion)
Ipiranga	▸ Expansion of service station network and logistics infrastructure ▸ Investments since 2007: R$ 2.1 billion	▸ Ipiranga (2007) – R$ 2.4 billlion ▸ Texaco (2009) – R$ 1.4 billlion ▸ DNP (2010) – R$ 85 million
ULTRAGAZ especialista no que faz	▸ Expansion to reach nationwide coverage ▸ Strengthen leadership in small bulk LPG – UltraSystem ▸ Investments since the IPO: R$ 1.7 billion	▸ Shell Gás (2003) – R$ 171 million ▸ Repsol (2011) – R$ 48 million
ULTRACARGO	▸ Expansion in the storage capacity ▸ Investments since the IPO: R$ 0.7 billion	▸ União Terminais (2008) – R$ 519 million ▸ Puma (2009) – R$ 44 million ▸ Temmar (2012) – R$ 172 million
OXITENO	▸ Production capacity expansion, focused on specialty chemicals ▸ Investments since the IPO: R$ 2.1 billion	▸ Oxiteno Mexico (2003) – US$ 17 million ▸ Oxiteno Andina (2007) – US$ 8 million ▸ Oxiteno USA (2012) – US$ 15 million ▸ Oxiteno Uruguay (2012) – US$ 74 million

Oxiteno – Evolution of international expansion

Motivations

- Access to a broader market
- Access to competitive raw materials
- Cross-fertilization
  - ✓ Exchange of product and process technologies
  - ✓ Client relationship

USA

- Comercial office in 2007
- Acquisition of a plant in 2012
- Expansion in process

Mexico

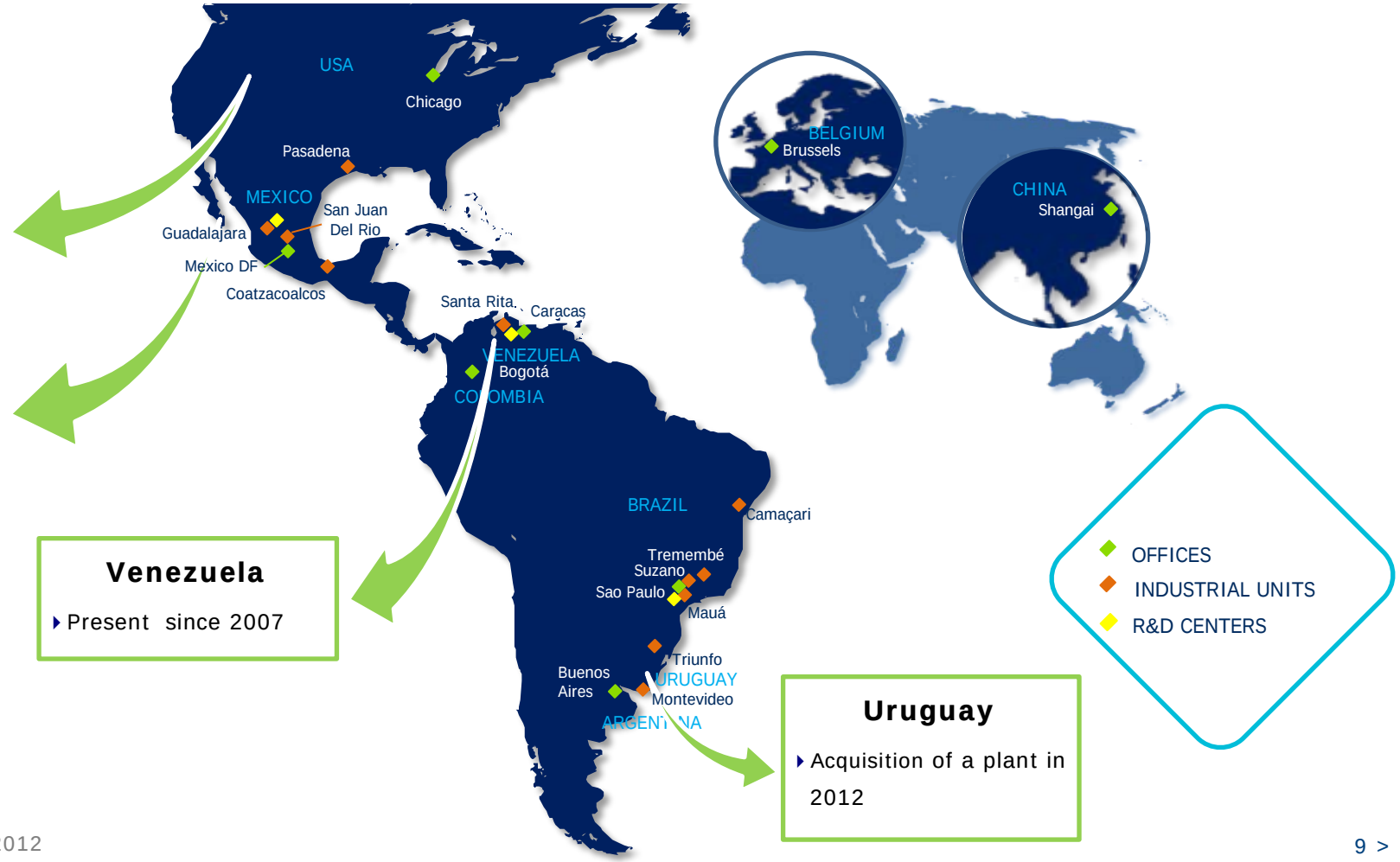
- Present since 2003
- From third to the largest producer of ethoxylates in Mexico

Venezuela

- Present since 2007

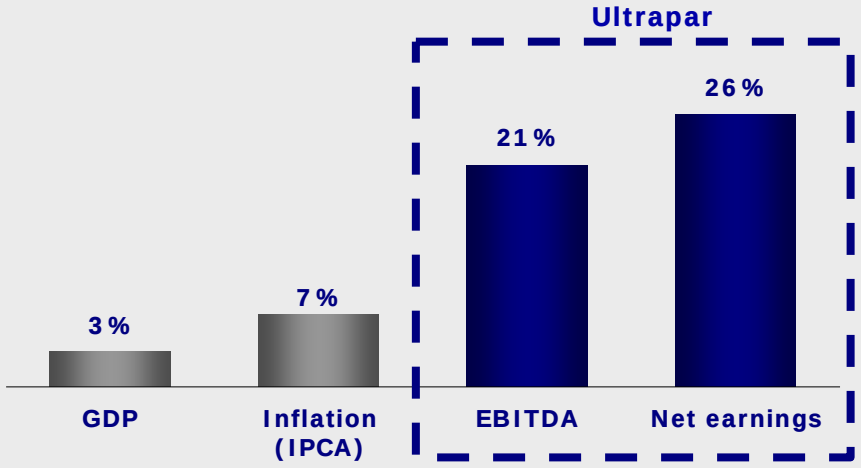
Uruguay

- Acquisition of a plant in 2012



Ultrapar – Strong earnings growth and value creation through different economic cycles

Results growth (CAGR 1998-2011)...



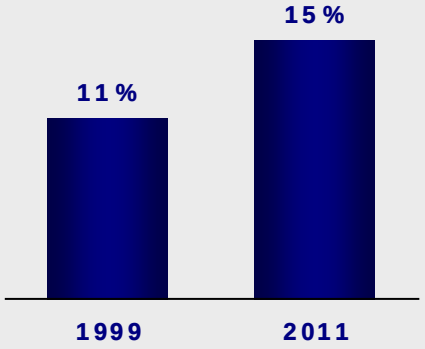
...supporting strong performance of Ultrapar's shares since the IPO (oct/99 – oct/12)...

24%aa Ultrapar shares, with dividends reinvested

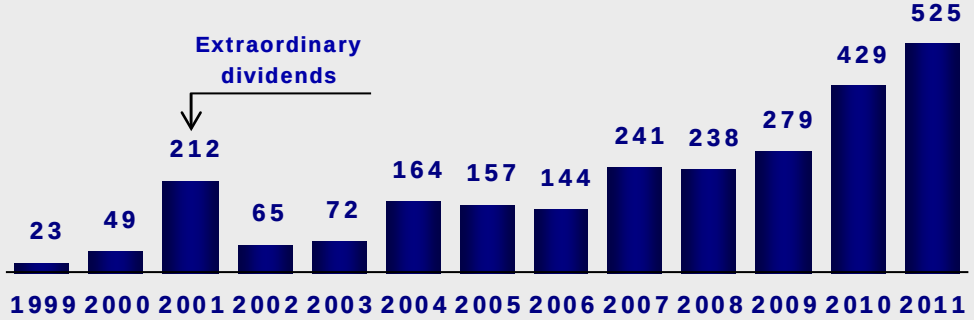
13%aa Ibovespa

15%aa Average interest rate in the period - CDI

...with growth in return on equity

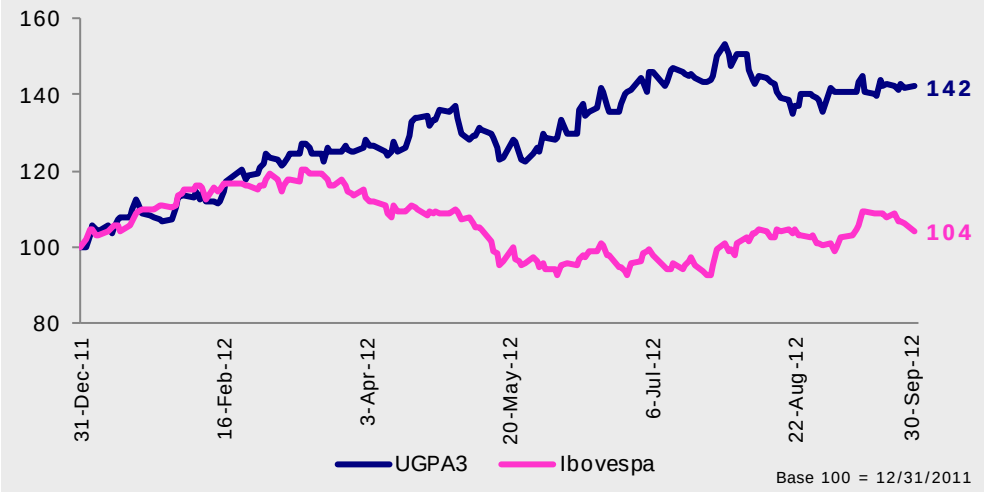


Strong cash generation and sound financial position allowed consistent payment of dividends

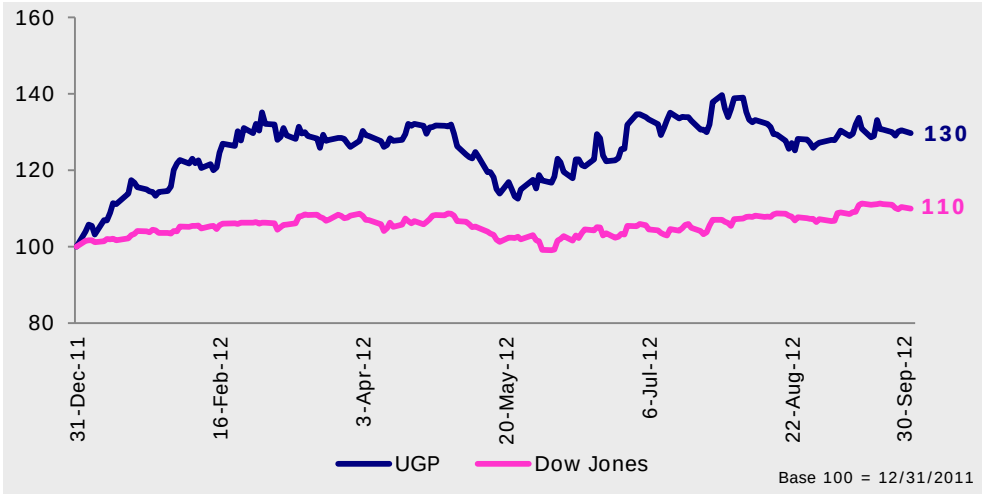


Ultrapar – Continuity of shareholders return in 2012

Evolution UGPA3 share x Ibovespa



Evolution UGP share x Dow Jones

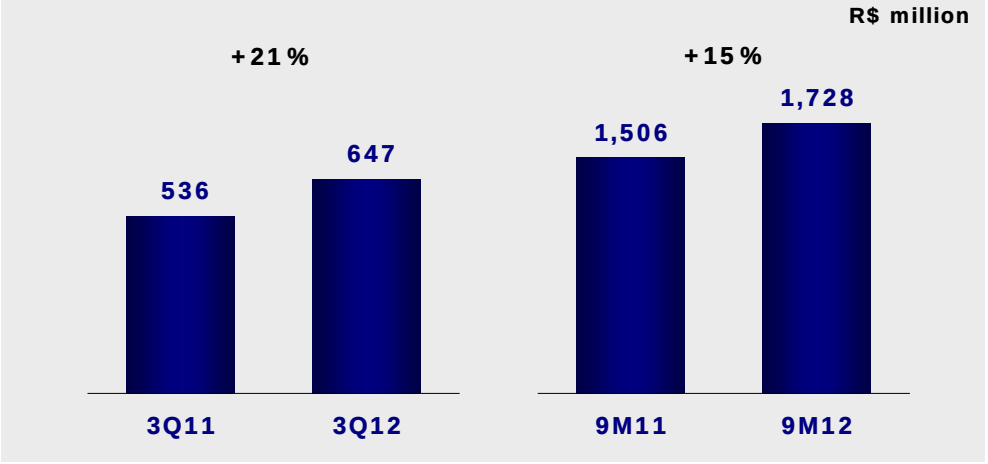


Performance, quality of management and corporate governance were awared by market

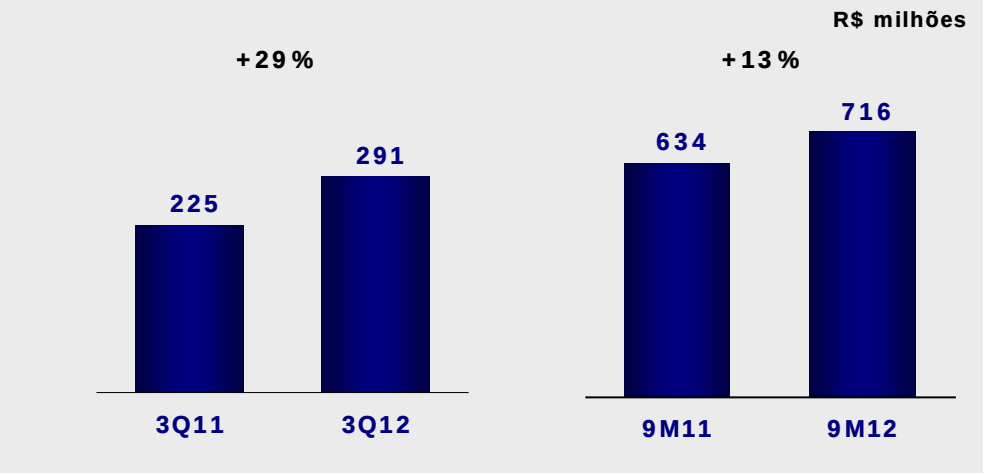
- Elected one of the **World's 100 Most Innovative Companies** by Forbes Magazine
- Recognized for the relationship with investors, including best CEO, CFO, IR Manager and IR team by sell-side analysts
- Ranked 5th place in the "**World's Most Admired Companies 2012"** in the energy sector by Fortune Magazine
- 2nd place in "**The Best Companies for Shareholders**" in 2012 by *Capital Aberto* magazine (market value over R$ 15 billion)
- Ranked 4th place in "*Prêmio Destaque Agência Estado 2012*" and winner in the category Sustainability
- Honorable mention (top 5) in the category **Best Corporate Governance** in Brazil in the IR Magazine Awards Brazil 2012

Ultrapar – 3Q12 and 9M12 performance

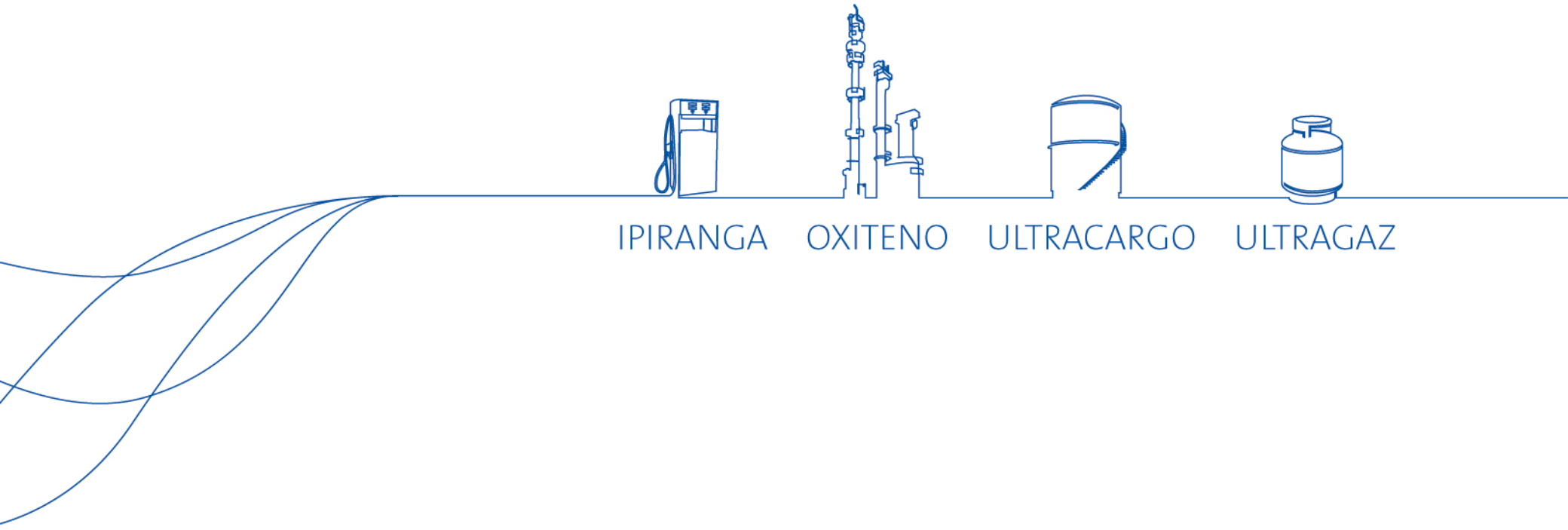
EBITDA



Net earnings



- 25th consecutive quarter of EBITDA growth
  - ✓ Benefits of investments made to increase operational scale...
  - ✓ ... and focus on value creation
- Progress in Oxiteno's international expansion
- Integration of Temmar's acquisition by Ultracargo and start up of the expanded terminal in Santos
- Acquisition of am/pm brand in Brazil



Ultrapar

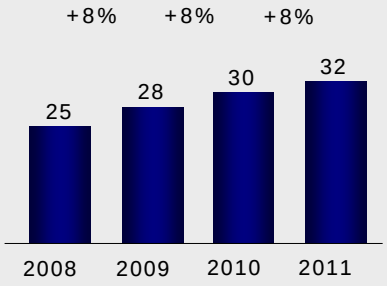
Businesses strategy and performance

Ipiranga – Continuity of volume growth

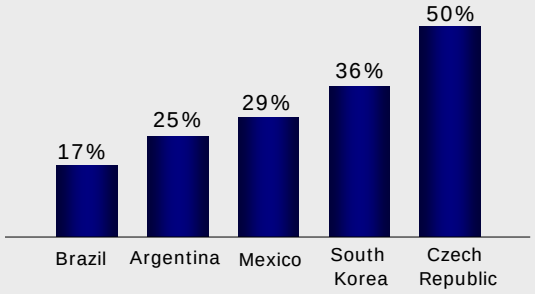
Favorable scenario for market growth

- Fleet growth
  - ✓ Lower car prices in relation to income
  - ✓ Increased credit availability
- Growth of fuels for light vehicles is related to the growth of the fleet

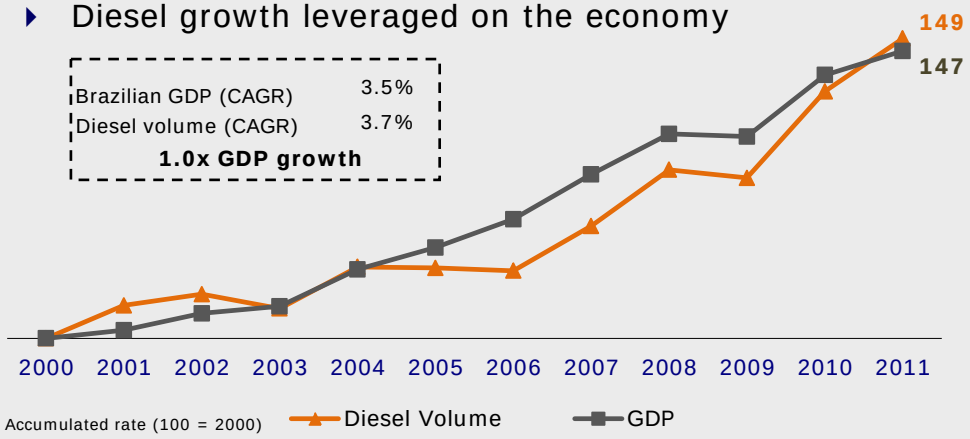
Light vehicles fleet[1]
(million vehicles)



Low car penetration[1]
(% of population)



- Diesel growth leveraged on the economy



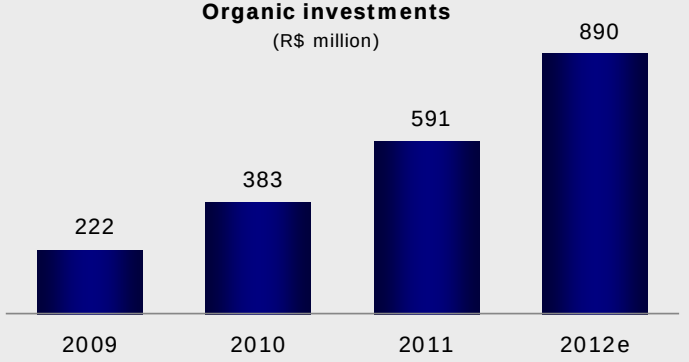
Source: ANP

[1] ANFAVEA

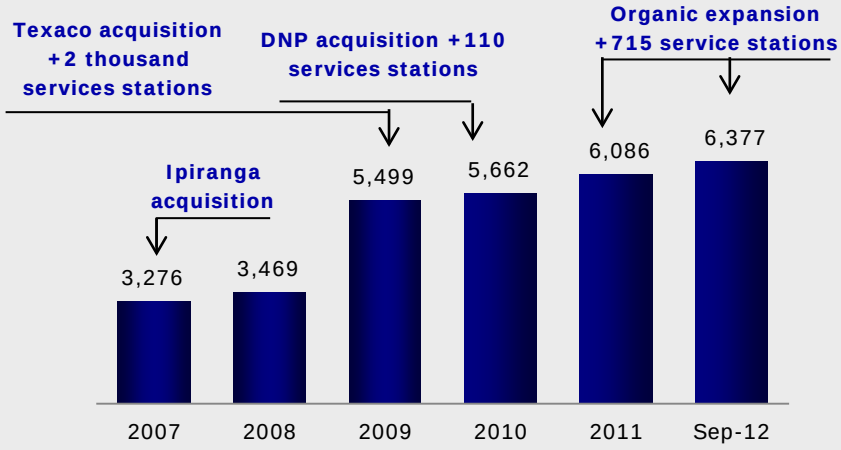
Investments in network expansion

- Expansion of the distribution network through the conversion of unbranded stations and new service stations, as well as logistics infrastructure
  - ✓ 11 logistic terminals under expansion or construction
  - ✓ Convertion of unbranded service stations contributes to reduce market informality, strengthening level playing field

Organic investments
(R$ million)

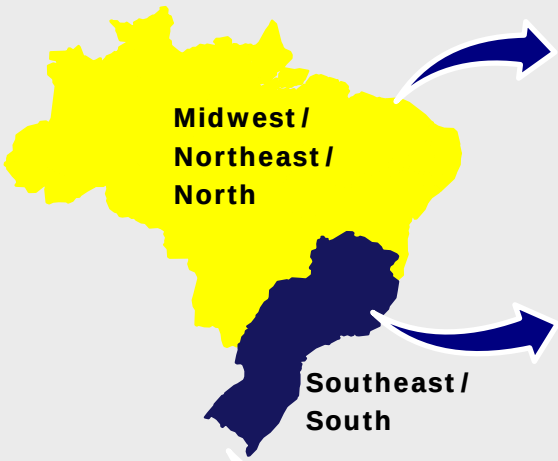


- Strong evolution in the number of service stations



Ipiranga – Expansion with focus on the Midwest, Northeast and North regions and strengthening of the differentiation strategy

Expansion to the Midwest/Northeast/North regions



Midwest / Northeast / North

- Market share[1]: 12%
- Car penetration[1]: 9%
- Market growth[2]: 9%

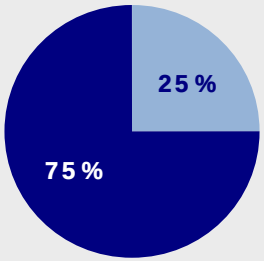
Southeast / South

- Market share[1]: 26%
- Car penetration[1]: 23%
- Market growth[2]: 5%

Brazil

- Market share[1]: 21%
- Car penetration[1]: 17%
- Market growth[2]: 7%

Room for network expansion
(2011)



- Organic expansion
  - ✓ New service stations / conversion of unbranded service stations
- Acquisitions of regional distributors

Volume sold by Sindicom members
Unbranded or regional distributors

[1] 2011
[2] CAGR 2009-2011

Differentiation in convenience and services

- 2nd largest retailer network in points of sale
- 1,306 franchises (Sep/12): +18% vs. Sep/11
- The largest bakery network in Brazil: 133 units in operation

- 1,008 franchises (Sep12): +26% vs. Sep/11
  - ✓ Jet Oil Motos: 167 units in operation

- The largest loyalty program in Brazil
- 11 million individuals registered

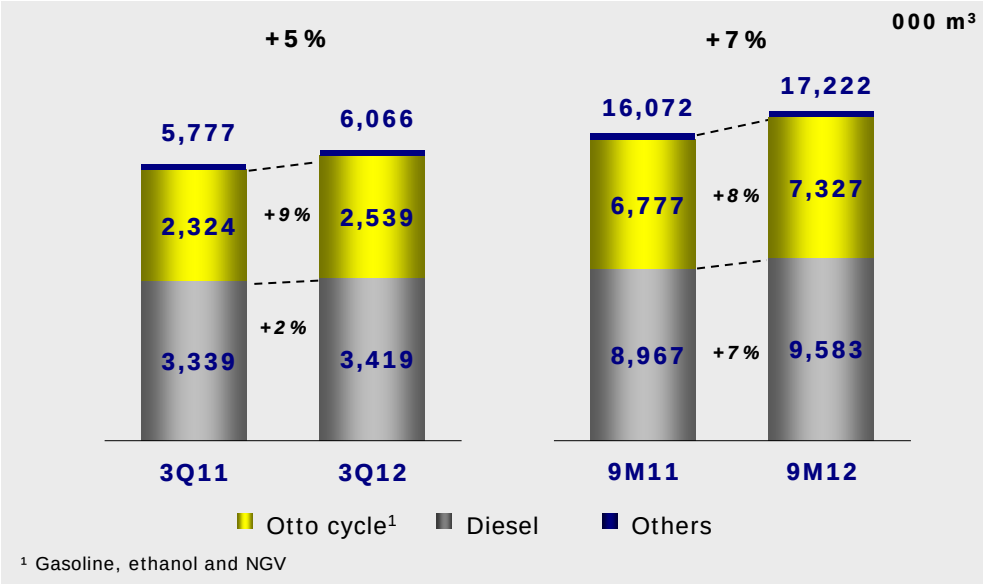
- 133 Eco-efficient service stations in operation
  - ✓ Focus on water, energy, materials and waste management - aiming to reduce environmental impacts and costs

- Virtual service station
  - ✓ Sale of fuel credit vouchers on the internet

New products / services in 2013

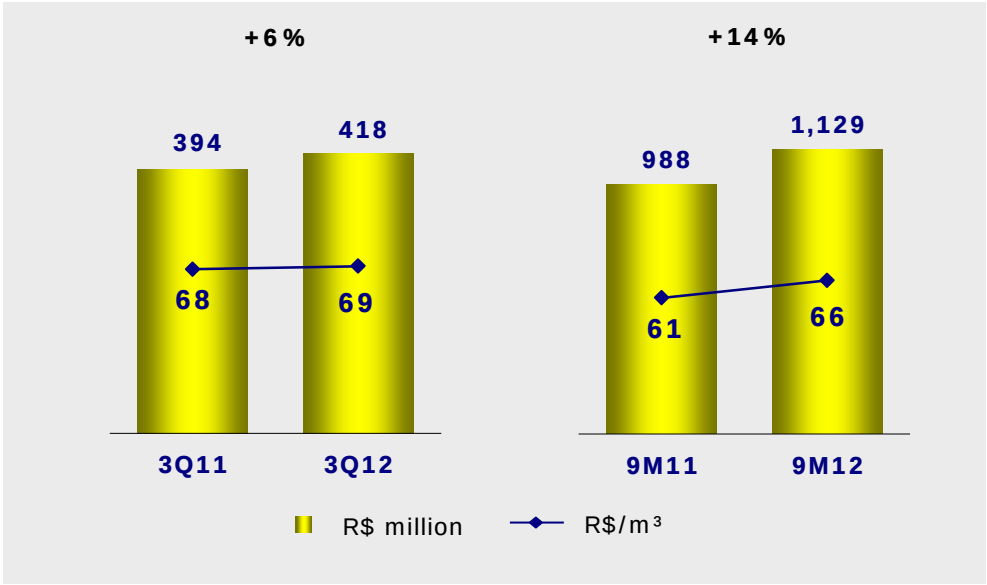
Ipiranga – 3Q12 and 9M12 performance

Volume



¹ Gasoline, ethanol and NGV

EBITDA



Volume

- Otto cycle
  - ✓ Growth of the Brazilian light vehicle fleet
  - ✓ Strong investments to expand the network, focused on the Midwest, Northeast and North of Brazil
- Diesel
  - ✓ Investments in new clients
  - ✓ Brazilian economic growth

EBITDA

- Higher sales volume + operational leverage
- Increased diesel costs
- Improved sales mix
  - ✓ Increased share of gasoline, with higher margins
- Non-recurring PIS/COFINS tax credit of R$ 60 million in 3Q11
  - ✓ EBITDA 3Q12 ex-non recurring itens + 25% vs. 3Q11

Ultragaz – Strategy

Bottled

- Resilient demand

LPG market – bottled segment
(million ton)



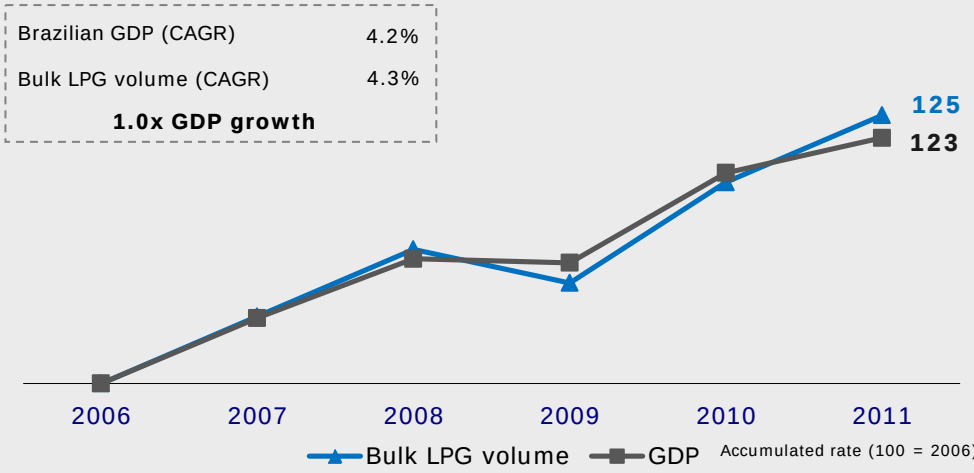
Source: Sindigás

- Exclusive network of ~4.4 thousand resellers
- Strong brand awareness
- Strategy
  - ✓ Brand – "Ultragaz Specialist" marketing campaign
  - ✓ Enhanced relationship with resellers – Reseller Qualification Program
  - ✓ Innovation and greater convenience for consumers

Bulk

- Growth leverage on the Brazilian economic growth

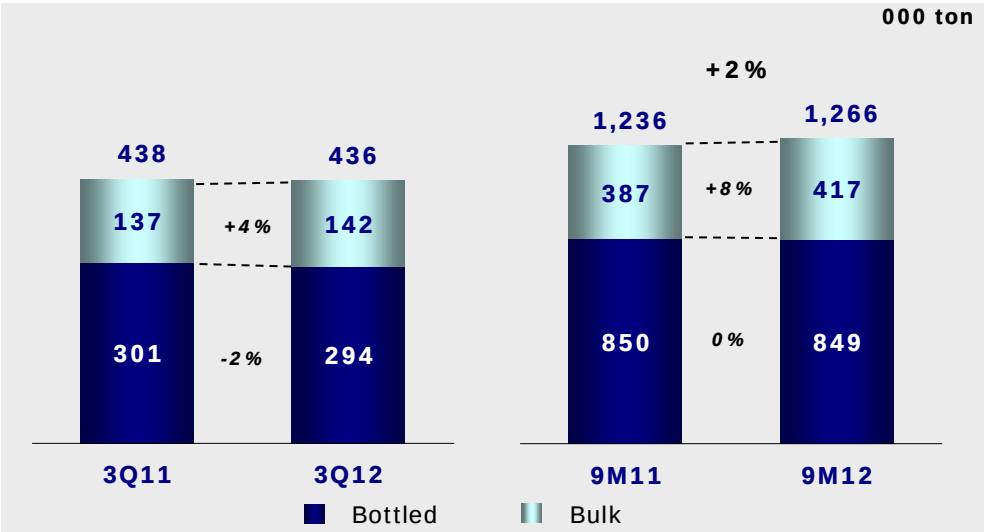
Bulk LPG market



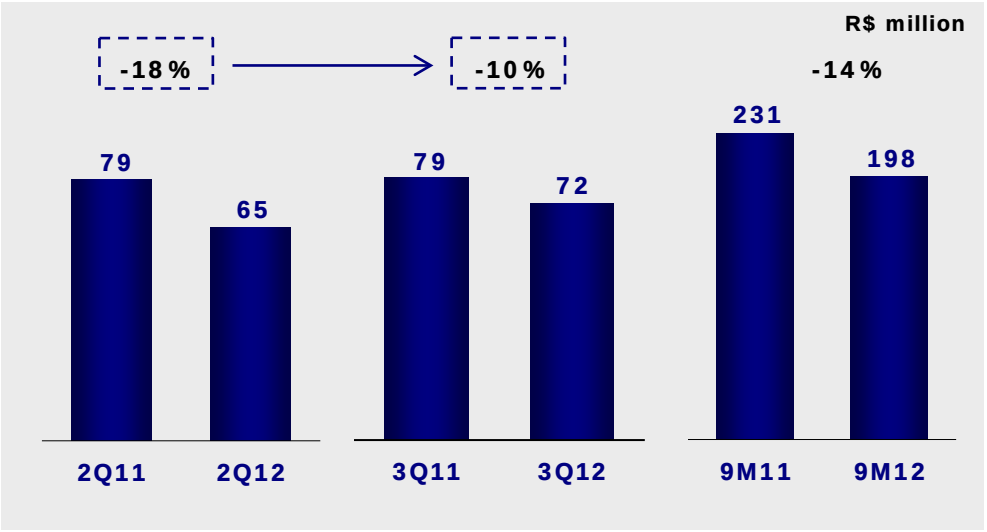
- Pioneer in Brazil, with competitive advantages
- Strategy
  - ✓ Economies of scale
  - ✓ Solutions for different uses of LPG as energy source

Ultragaz – 3Q12 and 9M12 performance

Volume



EBITDA



Volume

- Growth in the bulk segment
  - ✓ Acquisition of Repsol
  - ✓ Investments to capture new clients
- Fewer number of working days in 3Q12

EBITDA

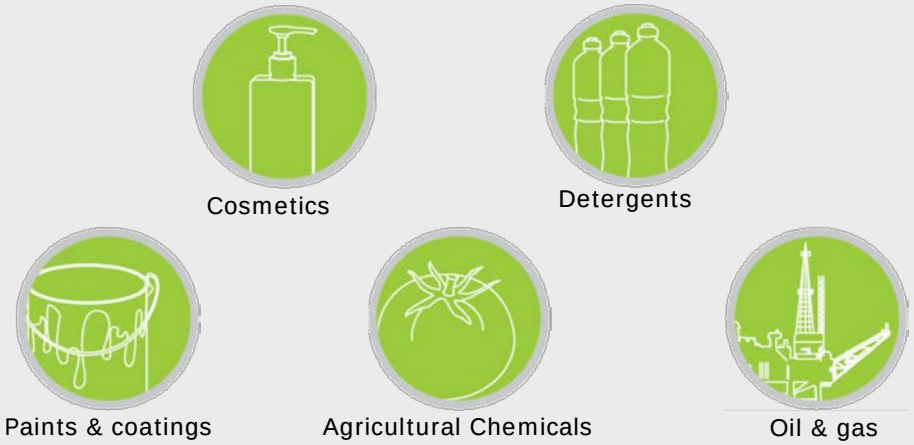
- Progress in earnings recovery
- Commercial and costs management initiatives
  - ✓ Management of freight contracts
  - ✓ Costs reduction in bottling and storage facilities

Oxiteno – Strategy

Competitive advantages

- Sole producer of ethylene oxide in Brazil and oleochemicals in Latin America, with production capacity ahead of Brazilian demand
- The largest producer of specialty chemicals in Latin America
- State-of-the-art technology in ethylene oxide and derivatives
- Relevant and growing share of chemicals produced from renewable materials

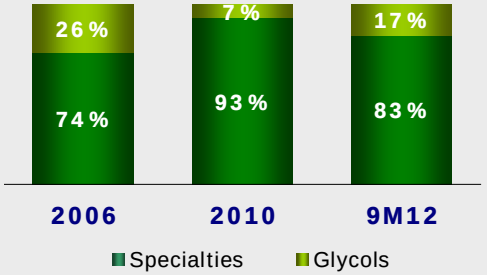
Fast-growing segments



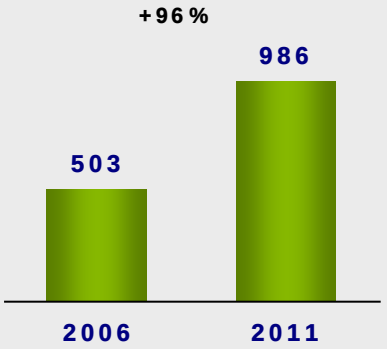
Conclusion of an important investment cycle

Focus on specialties

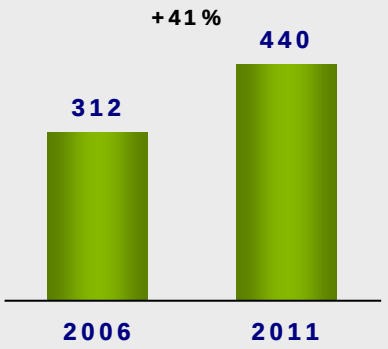
% of sales volume



Capacity of specialties – Brazil
(000 ton)



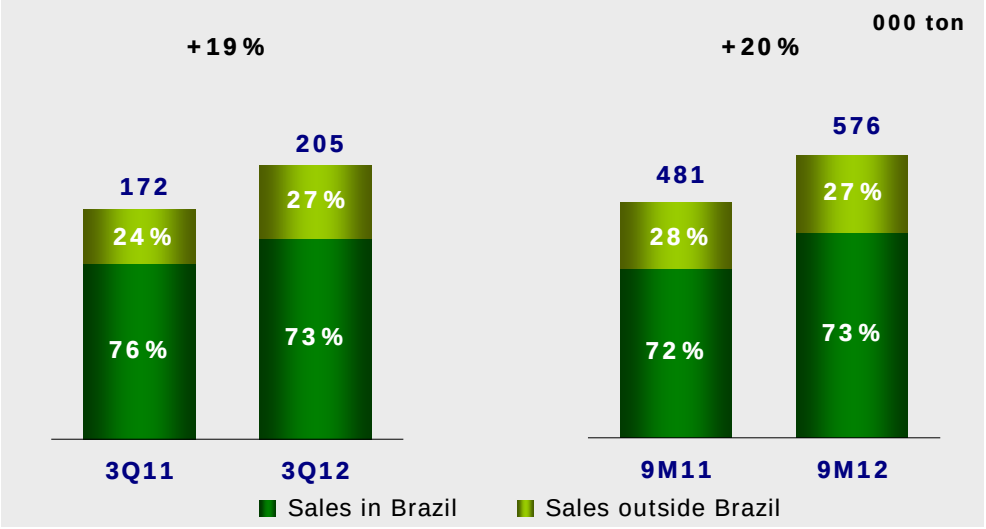
Capacity of ethylene oxide
(000 ton)



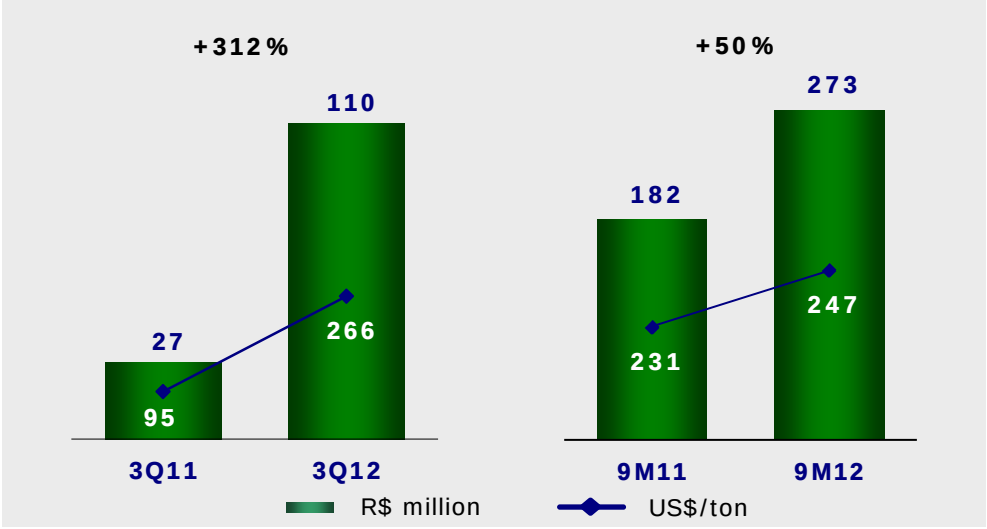
- Higher sales volume
- Sales mix with higher value-added products over time

Oxiteno – 3Q12 and 9M12 performance

Volume



EBITDA



Volume 3Q12 vs. 3Q11

- Brazil +14% / Outside Brazil +34%
- Higher sales of glycols – ethylene oxide expansion concluded in 2011
- Specialties in Brazil +8%
  - ✓ Growth in almost all the segments served by Oxiteno

EBITDA 3Q12 vs. 3Q11

- Higher sales volume
- 24% weaker Real
- Extraordinary effects in 3Q11
  - ✓ Historical cost of goods sold higher than replacement costs (R$ 21 million) and non-recuring costs resulting from stoppages (R$ 11 million)
  - ✓ Growth excluding extraordinary items: +88%

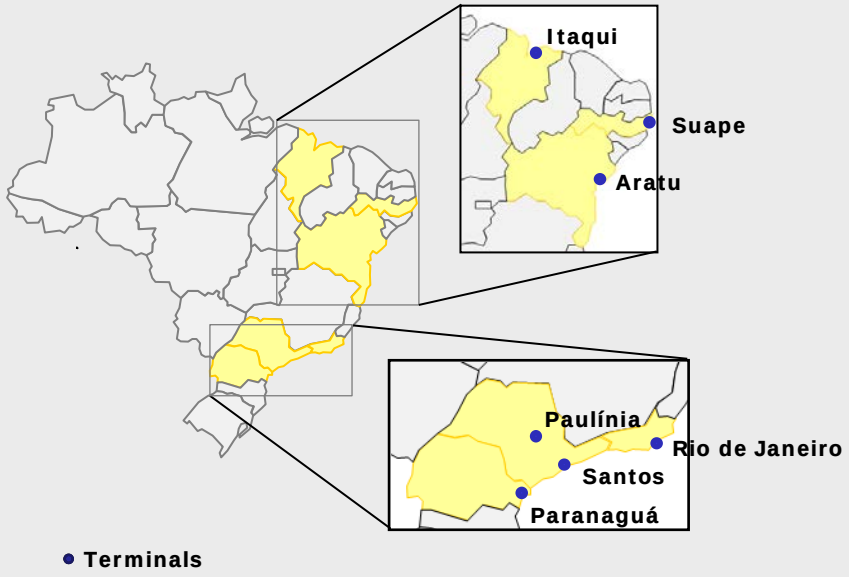
Ultracargo – Strategy focused on the growing demand for liquid bulk storage

Fundamentals and competitive advantages

- Leading and differentiated position in the sector
  - ✓ Security
  - ✓ Reliability
  - ✓ Flexibility
- Potential to increase storage capacity
  - ✓ Investments for expansion and acquisitions as part of its strategy
  - ✓ Potential to increase its capacity by ~40% in current terminals

Maximize the benefits from its differentiated position

Privileged location of assets

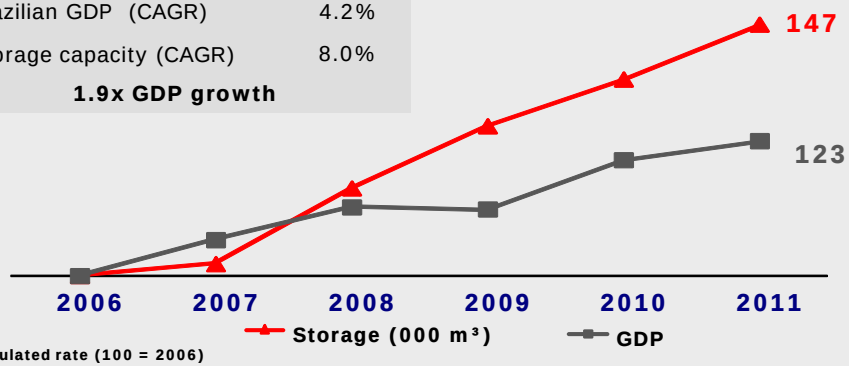


Growth leveraged on the Brazilian economy

Storage capacity for liquid bulk in Brazil

Brazilian GDP (CAGR)	4.2%
Storage capacity (CAGR)	8.0%

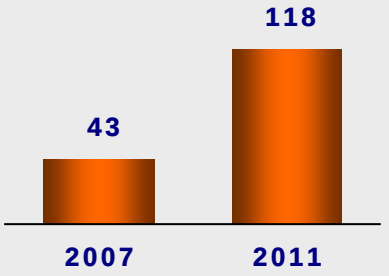
1.9x GDP growth



Accumulated rate (100 = 2006)

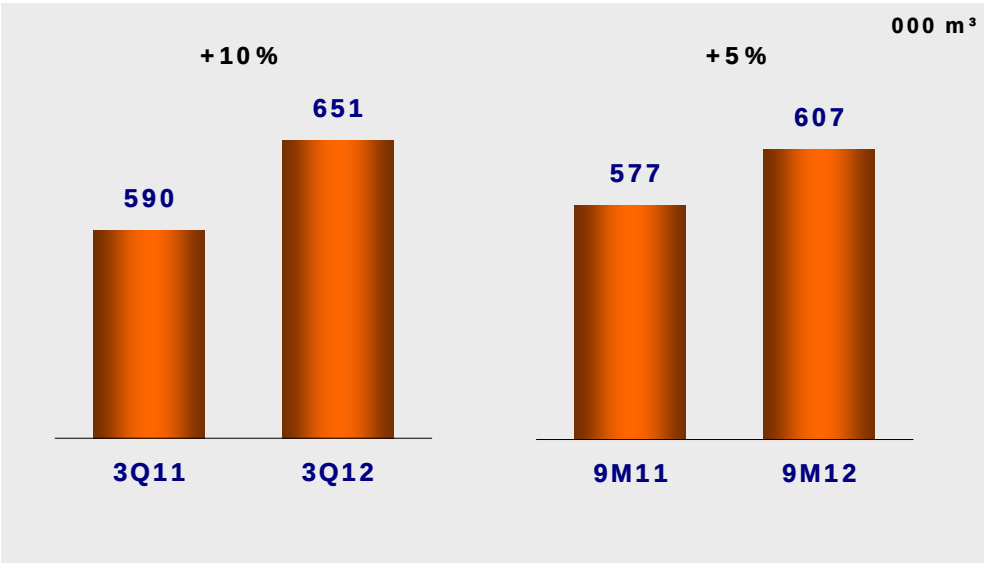
EBITDA R$ million

(CAGR 2007-2011: +29%)

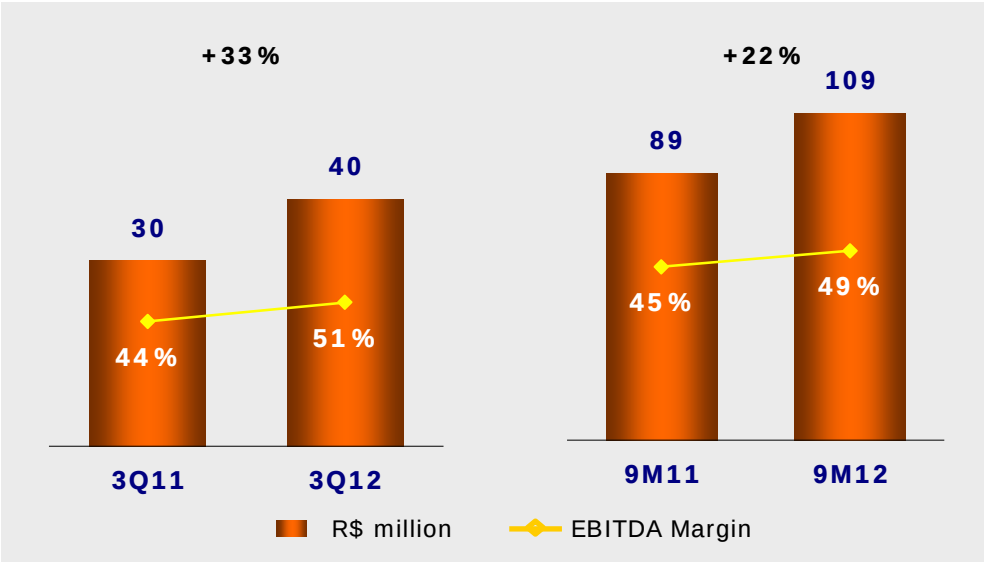


Ultracargo – 3Q12 and 9M12 performance

Volume



EBITDA

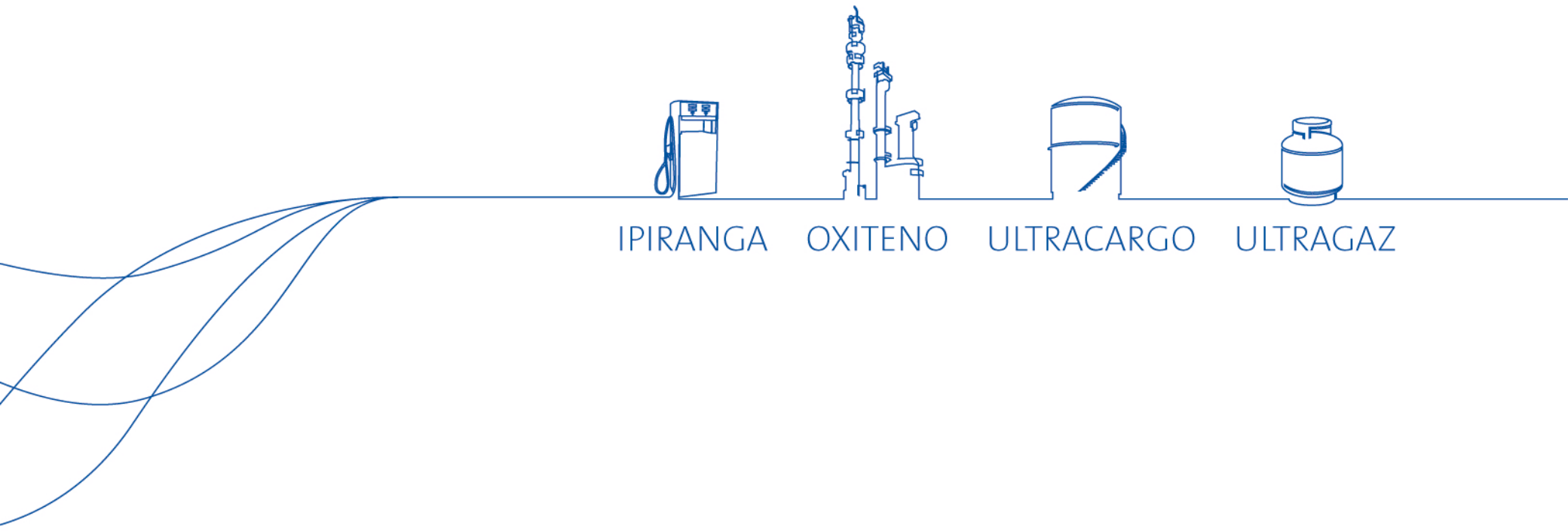


Volume

- Acquisition of Temmar in the port of Itaqui, in the state of Maranhão, from August onwards
- Increased effective storage in the Santos terminal
  - ✓ Higher exports of ethanol

EBITDA

- Effects of Temmar's acquisition
- Improved mix of handled products and contracts



Ultrapar

Final remarks

Ultrapar Outlook

- Resilient businesses...
  - ✓ Otto cycle
  - ✓ Bottled LPG
  - ✓ Storage for liquid bulk
- ...leveraged on the Brazilian economic growth
  - ✓ Diesel
  - ✓ Bulk LPG
  - ✓ Specialty chemicals
  - ✓ Handling of liquid bulk
- Constant search for good investment opportunities, combined with planning and execution capability
- Governance structure to endure the company's growth and value creation











Ultrapar Participações S.A.

Investor relations

☎ 55 11 3177-7014

✉ invest@ultra.com.br

www.ultra.com.br